

City of Detroit

CITY COUNCIL

IRVIN CORLEY, JR.
DIRECTOR
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FISCAL ANALYSIS DIVISION
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ANNE MARIE LANGAN
DEPUTY DIRECTOR
(313) 224-1078

TO: COUNCILMEMBERS

FROM: Irvin Corley, Jr. Director *ICJ.*
Anne Marie Langan, Deputy Director *AML*

DATE: September 17, 2008

RE: Contract #2771241 – Strategic Partner Management Consultants

During the week of August 4, 2008, when Council was on recess, contract 2771241 for Strategic Partner Management Consultants was submitted by the Administration under the rules adopted by Council for contract approval during the recess. Under these rules, Councilmembers had until August 6 at 4:00 p.m. to contact the Committee Clerk's office to hold a particular contract until further questions had been responded to or explanations given.

The Fiscal Analysis Division sent out some questions to all Council and Council staff the morning of August 5 concerning this specific contract. We later heard from RAD that Councilmember Kenyatta did request that this contract be held for further scrutiny.

Fiscal reviewed the package of contracts and noticed that from the Mayor's Office there was a contract approval request for Strategic Management Consultant services of \$56,830. The president of this company is Patrick Bero and the company is located in Clarkston, Michigan.

As you may recall the work for this invoice was in the Mayor Kilpatrick's Next Detroit Economic Stimulus Proposal, which was submitted to Council in March 2008.

The specific report that requires payment was located under tab 12 of the Next Detroit Economic Stimulus Proposal binder, was entitled, "City of Detroit Gaming Market Assessment", had a completion date of March 7, 2008 and refers to an engagement letter between the contractor and Anthony Adams of December 11, 2007.

According to information from RAD, the original invoice was submitted to the city on Feb. 13, 2008. In reviewing the city's financial system it was found that a quick check of \$10,000 was paid to Strategic Partner Management Consultants

on February 6, 2008 that came out of Agency 37, Non-Departmental, from the general fund.

We also recall that in March the Administration reported to Council that no general fund money was used in the development of this proposal. The Administration never did report to Council which money was being used to pay for the development of Mayor Kilpatrick's Next Detroit Economic Stimulus Proposal.

Fiscal does believe that the intent of the Administration was once Mayor Kilpatrick's Next Detroit Economic Stimulus Proposal received Council authorization that the bonds would be sold and any costs associated with the preliminary work for this project would be paid from the bond proceeds. There would not have been any direct requests to Council for each of the contractors' contracts as the reimbursement would have been lumped into the resolution that allowed the bonds to be sold and every contractor to be paid without any list of the exact costs, which has been typical in most bond sales the city has held going back decades. Since the bond proposal did not move forward, the Administration now must have the contracted work go through the traditional payment method.

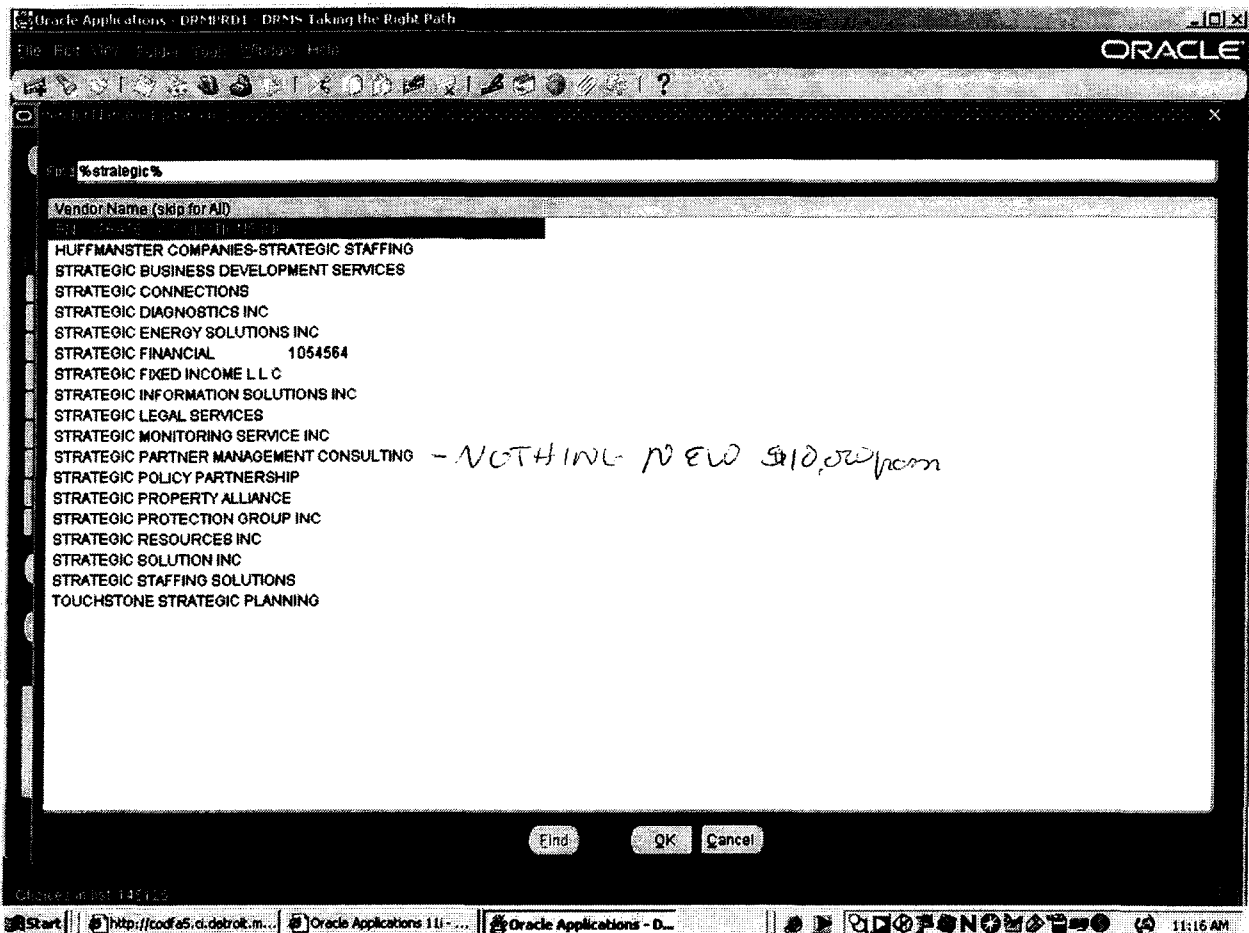
Fiscal has the following questions for the Administration:

1. Why did the city pay \$10,000 to Strategic Partner Management Consultants 7 days before an invoice was submitted to the city?
2. Please provide the documentation that shows why the \$10,000 was paid.
3. Why was the Non-Departmental agency used to pay the \$10,000?
4. If there was a retainer fee of \$18,700 paid prior to February 13, 2008, where is the documentation for that payment?
5. Is the \$10,000 quick check from February 6, part of the \$18,700? Is the \$18,700 in addition to the \$56,830, for a total of \$75,530?
6. Is a retainer typically 25% of the total?
7. Since when does the city pay a retainer for anything?
8. Is the city legally allowed to pay a retainer?
9. What other firms were involved in the creation of this Mayor Kilpatrick's Next Detroit Economic Stimulus Proposal?
10. Are there other outstanding bills related to this proposal?

Councilmembers may want to ask for a discussion to be scheduled on this issue. Purchasing and Finance Administration might be two divisions that would be appropriate to have at this discussion. Since the DEGC also participated in the development of this Mayor Kilpatrick's Next Detroit Economic Stimulus Proposal they may also be able to provide information if other prospective contractors' work also needs to be reimbursed.

Attachments

cc: Council Divisions
Auditor General
Norman White, Finance Director
Audrey Jackson, Deputy Finance Director
Medina Noor, Finance Purchasing Director
Anthony Adams, Interim DWSD Director
Kerwin Wimberley, Mayor's Office



City of Detroit

Supplier Payment History Report

Report Date: 14-AUG-20

Page:

Check # 12680

1000-351031-000148-704100-11519-00000-

non-departmental

A5510

Supplier Type: All

Payment Start Date:

Payment End Date:

Supplier: STRATEGIC PARTNER MANAGEMENT CONSULTING

Number: 1100882 - Vendor# Taxpayer ID

236115475

Site: CLARKSTON

Address: 913 SHREWBURY DRIVE, CLARKSTON, MI, 48348

Account Name	Payment Number	Payment Date	Currency	Payment Amount	Functional Amount	Void Date
City of Detr	12680	06-FEB-08	USD	10,000.00	10,000.00	

Invoice #00001

Site Total: 10,000.00

Supplier Total: 10,000.00

Report Total: 10,000.00

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Last

10-1001-00

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View Receipt

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Oracle Applications - DRMPRD1 - DRMS Taking the Right Path

File Edit View Tools Window Help

Payment Overview

Supplier

Number: 12600
Currency: USD
Amount: 10,000.00
Date: 06-FEB-2000
Batch: Quick Payment 10-122
Voucher:
Status: Reconciled Unaccounted
Cleared Amount: 10,000.00
Cleared Date: 12-FEB-2000
Void Date:
Maturity Date:

Supplier Name: STRATEGIC PARTNER MANAGEMENT
Taxpayer ID: 226113475
Number: 110002
Site: CLARKSTON
Address: 313 SHREWBURY DRIVE
CLARKSTON, MI 48348

Bank

Name: Comerica Bank
Account: City of Detroit System Disbursement /
Payment Document: Quick Checks
Payment Method: Check

Actual Total:

Withheld Amount	Prepaid Amount

Invoices

Number	Amount Paid	GL Date	Description
00001	10,000.00	06-FEB-2000	FIN

Invoice Overview Bank Supplier Payments

Payment Overview

Overview Distributions

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12:19 PM

Oracle Applications - DRMPRD1 - DRMS Taking the Right Path

File Edit View Tools Window Help

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Invoice Overview: Invoice Details

Supplier	STRATEGIC PARTNER MANAGEMENT		Site	CLARKSTON	Actual Total	
Supplier Num	1100882		Taxpayer ID	236115475		
Invoice Num	00001		Type	Standard	Date	06-FEB-2008
Batch Name	FINB3MR20508		Currency	USD	Amount	10,000.00
Voucher			Release		Unpaid	0.00
PO Number			Unapplied			
Receipt Num			Settlement Date			
Invoice Status			Description	FIN		
Paid	Yes		Active Hold			
Accounted	Yes		Reason			
Status	Validated					
Approval	Not Required					

Scheduled Payments				Actual Payments		Discount Taken
Curr	Amount	Remaining	Due Date	Paid By	Paid On	
USD	10,000.00	0.00	07-FEB-2008	12680 - Check	06-FEB-2008	0.00

Payment Overview View Receipt

Supplier Invoices

Payment Overview

Overview Distributions

To: Etheridge, George <EtheridgeG@cncl.ci.detroit.mi.us>
To: Headd, Derrick <HeaddD@cncl.ci.detroit.mi.us>
To: Johnson, Heather <HeatherJ@cncl.ci.detroit.mi.us>
To: Hill, Darlene <HillD@cncl.ci.detroit.mi.us>
To: Hurt, Marcel <HurtM@cncl.ci.detroit.mi.us>
To: Hutchinson, Kimberly <HutchinsonK@cncl.ci.detroit.mi.us>
To: Irby, Elizabeth <IrbyL@cncl.ci.detroit.mi.us>

Sent: 08/05/2008 10:49:19 AM

Subject: Contracts for Week of Aug. 4, 2008 specifically contract #2771241 - Strategic Partners Mgmt. Consult

To all -

We were reading RAD's list of contracts and on page 24 out of the Mayor's Office there is a contract approval request for Strategic Management Consultant services of \$56,830. The president of this company is Patrick Bero.

As you may recall the work for this invoice was in the Mayor's Next Detroit Economic Stimulus Proposal which was submitted to Council in March.

The specific report that requires payment under tab 12 of the binder, was entitled, "City of Detroit Gaming Market Assessment", had a completion date of March 7, 2008 and refers to an engagement letter with Anthony Adams of December 11, 2007. The original invoice was submitted to the city on Feb. 13, 2008.

We also recall that the Administration reported to you that no general fund money was used in the development of this proposal.

In fact, subsequently, during Council's budget deliberations Council was surprised to find out that the Mayor's office had set up or begun to set up the Next Detroit Neighborhood Opportunity Fund as a 501c3. Council has still not received the specific details on that issue, although they were promised to you by Kandia Milton at the Mayor's budget hearing.

It seems that this contract should be paid out of the NDNI funds and not the general fund. How much of the rest of the work done on that proposal still needs to be paid for after the fact?

Councilmembers may want to ask that this contract is held so a discussion can be scheduled on this issue.

Anne Marie Langan
Deputy Fiscal Analyst
City of Detroit
City Council Fiscal Analysis Division
313.224.1078 phone
313.224.2783 fax
anne@cncl.ci.detroit.mi.us

THE PURCHASING DIVISION OF THE FINANCE DEPARTMENT SUBMITS THESE REQUESTS
FOR YOUR CONSIDERATION AND APPROVAL FOR THE RECESS WEEK OF
AUGUST 4, 2008.

TO PROVIDE COMPENSATION FOR GOODS OR SERVICES RENDERED

MAYOR'S OFFICE

2771241 To provide compensation for Professional Service fees in connection with analysis of the Detroit casino gaming market in accordance with invoice no. 00002 dated 02-13-2008 – Strategic Partner Management Consultants, 913 Shrewsbury Drive, Clarkston, MI 48348 – Actual Cost: \$56,300.00

No Account number was provided for this contract.

According to the invoice submitted by the vendor, Strategic Partner Management Consultants, on June 12, 2008, the bill was 90 days past due. The original invoice, submitted on Feb. 13, 2008, included the following costs: Professional Service Fee of \$56,300 (retainer fee of \$18,700 paid previously); ESRI-Demographic Data, a reimbursement cost of \$530 – for a total cost of \$56,830.

The June invoice also includes Late fees totaling \$1,722. This request does not include the invoice charges for reimbursement or late fees totaling \$2,252.

HRD: Good Through 9-30-08; TAXES: Good Through 10-31-08 and 5-31-09.

TO: The Honorable City Council

FROM: David Whitaker
Research and Analysis Staff

DATE: August 5, 2008

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached are the comments and review of the Research and Analysis Division regarding the purchasing files and contracts that have been submitted by the Purchasing Division for the week of August 4, 2008. Comments of the Research and Analysis staff are in bold type.

This list of contracts and purchase orders is being submitted under the recess procedures adopted by the City Council on July 29, 2008. The contracts and purchase orders will be held by the Purchasing Division through Wednesday, August 6, 2008. If any Council Member objects to or questions any of the items listed, you are requested to notify the Committee Clerk's office by 4:00 P.M. Wednesday. .

All contracts and purchase orders not held by a Council Member will be considered approved and processed on Thursday, August 7, 2008.

It is noted this list includes 3 contracts with Health and Wellness Promotion for which the noted appropriation is a zero balance. City Council may also wish to request information and clarification of the funding for Human Rights contracts; the Budget analysis indicated inadequate funding for the requested contracts.

Attachments

cc:	Janice Winfrey	City Clerk
	Medina Abdun-Noor	Purchasing Division
	Irvin Corley	Fiscal Analyst
	Loren Monroe	Auditor General
	Marcell Todd	City Planning Commission
	Kerwin Wimberly	Mayor's Office

From: Anne Marie Langan
To: Corley, Irvin
Date: 08/07/2008 3:14 PM
Subject: Fwd: Re: Contracts for Week of Aug. 4, 2008 specifically contract #2771241 - Strategic Partners Mgmt

>>> Anne Marie Langan 08/05/2008 11:17 AM >>>
Kandia and Kerwin,

I don't think we received the data you gave Council on the NDNI discussion held at the Mayor's budget hearing, so that would be appreciated.

However the Economic Stimulus Plan does refer to the Next Detroit, which is why I am tying them together.

Also, Council needs to know why this is being paid out of the general fund when Council was told it would not be.

Again, I ask, will any other portions of the data generated for the economic stim plan also need to be paid for.

And of course, why is this contract coming before Council, 71/2 months after the engagement letter for the work to be done?

Thank you.

Anne Marie Langan
Deputy Fiscal Analyst
City of Detroit
City Council Fiscal Analysis Division
313.224.1078 phone
313.224.2783 fax
anne@cnci.ci.detroit.mi.us

>>> Kandia Milton 08/05/2008 10:57 AM >>>

We responded to Council's questions, as we promised. If you can't locate it and would like for us to give you another copy of our response contact Kerwin

Kandia

-----Original Message-----

From: Anne Marie Langan
To: Barclift, Lakisha <BarcliftL@atwpo.ci.detroit.mi.us>
To: Stanton, George <George@atwpo.ci.detroit.mi.us>
To: Jackson, Audrey <AudreyJ@ci.detroit.mi.us>
To: Ladson, Christina <ChristinaL@ci.detroit.mi.us>
To: Warren, Jessie <JesWar@ci.detroit.mi.us>
To: Stevenson, Carter <StevenC@ci.detroit.mi.us>
To: Clinkscales, Tina <TinaC@ci.detroit.mi.us>
To: Powers, Analine <AnalineP@cnci.ci.detroit.mi.us>
To: Langan, Anne Marie <Anne@cnci.ci.detroit.mi.us>
To: Baitinger, Kerry <BaitingerK@cnci.ci.detroit.mi.us>
To: Baker, Renee <BakerR@cnci.ci.detroit.mi.us>
To: Banks, Carol <BanksC@cnci.ci.detroit.mi.us>
To: Barnes, Eugene <BarnesE@cnci.ci.detroit.mi.us>
To: Binion, John <BinionJ@cnci.ci.detroit.mi.us>
To: Jones, Brenda <BJones@cnci.ci.detroit.mi.us>
To: Bowers, Rick <BowersR@cnci.ci.detroit.mi.us>
To: Walker, Brian <BrianW@cnci.ci.detroit.mi.us>
To: Cabot, Liz <CabotL@cnci.ci.detroit.mi.us>
To: Cannon, Naya <CannonN@cnci.ci.detroit.mi.us>
To: Carter, Faune <CarterF@cnci.ci.detroit.mi.us>
To: Coleman, Kiera <ColemanK@cnci.ci.detroit.mi.us>
To: Conyers, Monica <ConyersM@cnci.ci.detroit.mi.us>
To: Teeter, David <DavidT@cnci.ci.detroit.mi.us>
To: Whitaker, David <DavidW@cnci.ci.detroit.mi.us>
To: Richardson, Deborah <DebRich@cnci.ci.detroit.mi.us>